
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 11.8.2010

Wall Street Journal: "Citi Debt Funds Probed by SEC ... A Securities and Exchange Commission investigation of soured Citigroup Inc. debt funds has subpoenaed former in-house brokers, some of whom contend the bank misled investors about how risky the funds were, according to people familiar with the matter."

Wall Street Journal: "Regulators, Banks Grapple With Volcker Rule's Reach ... When J.P. Morgan Chase & Co. lawyers came to Washington in September to vent about prohibitions in the Volcker rule, they didn't bother stopping at the White House or Congress."

Wall Street Journal: "Which Firms Need Tougher Oversight? Don't Look at Me ... Companies across the financial-services industry are aggressively seeking to avoid being subjected to tougher regulation-and to make sure their competitors are."

Wall Street Journal: "Germany Criticizes Fed Move ... German officials, concerned that Washington could be pushing the global economy into a downward spiral, have launched an unusually open critique of U.S. economic policy and vowed to make their frustration known at this week's Group of 20 summit."

Wall Street Journal: "Low Interest Rates Hurt Insurers' Bottom Line ... The record-low interest rates that have been a boon for borrowers are becoming a major headache for insurance companies, which are warning of lower profitability if rates stay at current levels through next year or beyond."

Wall Street Journal: "Geithner, Mukherjee Discuss Economic Agenda ... U.S. Treasury Secretary Timothy Geithner and Indian Finance Minister Pranab Mukherjee discussed ways to deepen economic ties between the two countries and how to reach a global agreement on rebalancing the world economy, a Treasury spokeswoman said Monday."

Wall Street Journal: "Trichet Plays Down Currency-War Fears ... European Central Bank President Jean-Claude Trichet tried Monday to calm an increasingly heated argument over foreign-exchange policies, dismissing suggestions that the world's major powers are deliberately weakening their currencies."

Wall Street Journal: "Obama Jumps Into G-20 Surplus Spat ... U.S. President Barack Obama, returning fire in a heated exchange between the U.S. and Germany, added his voice to U.S. efforts to reduce the massive German and Chinese trade surpluses and increase pressure on China to let the value of its currency rise."

Wall Street Journal: "Regulators Watch Closely as Bonuses Soar ... As brokerage firms' recruiting bonuses rise, so does regulators' concern that the incentives being attached to them could pose a threat to compliance with securities laws."

Wall Street Journal: "Geithner Faces Headwinds in Asia Ahead of G-20 ... As he heads to a crucial G-20 summit in South Korea to cajole exporting countries into limiting their current-account surpluses, U.S. Treasury Secretary Timothy Geithner encountered some headwind at a weekend meeting of APEC finance ministers who said that Washington's monetary policy is flooding their economies with too much cash."

Washington Post: "China Says Fed Easing May Flood World Economy With 'Hot Money' ... Chinese Vice Finance Minister Zhu Guangyao said the U.S. Federal Reserve's decision to pump \$600 billion into the economy might "shock" emerging markets by flooding them with capital."

Washington Post: "Goldman Defends Bernanke as Fed Ease Sparks China Criticism ... Goldman Sachs Group Inc. defended Federal Reserve Chairman Ben S. Bernanke's decision to pump money into the U.S. economy after officials in Germany, China and Brazil criticized the plan."

Washington Post: "Record Treasury Buying by Banks Frustrates Bernanke ... Brian Williams burned through \$12,000 on rent for a vacant storefront in the historic district of St. Louis where he planned to open a pizzeria after banks refused him a \$35,000 loan, forcing him to delay opening by a year."

Washington Post: "G-20 Spat Risk Eases as U.S. Eschews Pushing Targets ... U.S. Treasury Secretary Timothy F. Geithner refrained from pushing for current-account targets and China hailed the potential effect of Federal Reserve easing at a finance ministers' meeting days before the Group of 20 summit."

Washington Post: "Record Treasury Buying by Banks Frustrates Bernanke ... Brian Williams burned through \$12,000 on rent for a vacant storefront in the historic district of St. Louis where he planned to open a pizzeria after banks refused him a \$35,000 loan, forcing him to delay opening by a year."

Washington Post: "Regulators flawed in foreclosure oversight ... As foreclosures began to mount across the country three years ago, a group of state bank regulators suspected that some borrowers might be losing their homes unnecessarily. So the state officials asked the biggest national banks for details about their foreclosure operations."

NY Times: "Doing It Again ... Eight years ago Ben Bernanke, already a governor at the Federal Reserve although not yet chairman, spoke at a conference honoring Milton Friedman."

LA Times: "Credit scores to be revised amid soaring mortgage defaults ... With foreclosures soaring - and homeowners with unblemished payment histories abruptly walking away from their houses with no warning to lenders - the two major producers of credit scores have begun changing how they evaluate consumers' risks of default. The revisions could affect you the next time you apply for a loan."

USA Today: "Taxpayers' bill on Freddie, Fannie foreclosures: \$2B ... Taxpayer-funded Fannie Mae and Freddie Mac have spent more than \$2 billion this year on foreclosed property expenses after acquiring tens of thousands of homes through foreclosures."

The Hill: "Obama defends Fed decision ... President Obama has defended the Federal Reserve's decision to pump another \$600 billion into world markets."